

ARIZONA DEPARTMENT OF REAL ESTATE
REAL ESTATE ADVISORY BOARD
MINUTES
October 20, 2005

The Arizona Real Estate Advisory Board met on Thursday, October 20, 2005 at the Arizona Department of Real Estate (ADRE), 2910 N. 44th Street, First Floor Conference Room, in Phoenix, Arizona.

I. CALL TO ORDER

Chairman R. L. Brown called the meeting to order at approximately 10:10 a.m.

Present:

R.L. Brown, Chairman, Sun City
Gary Brasher, Vice Chairman, Tubac (*via telephone*)
Frank Dickens, Member, Flagstaff
Vicki Cox Golder, Member, Tucson
Vince Pellerito, Member, Scottsdale
Lisa Suarez, Member, Tucson
Felipe Zubia, Member, Avondale

Unable to attend: Members Colleen Newman of Yuma and Ann White of Tucson.

ADRE representatives present:

Elaine Richardson, Commissioner
Ronald Passarelli, Deputy Commissioner
Tom Adams, Investigations and Auditing Division Director
Kevin Goode, Computer Network Administrator
Tony Leonard, Acting Deputy Director Administrative Actions Division
Carla Randolph, Assistant to the Commissioner
Richard Simmonds, Business Services Director and Special Assistant to the Commissioner
Anna Sokolova, Acting Director, Administrative Actions Division
Roy Tanney, Director, Subdivisions Division
Mary Utle, Public Information Officer
Cindy Wilkinson, Director, Licensing and Professional Education Division

Public present:

Tom Farley, Arizona Association of Realtors®
Alice Martin, Arizona Association of Realtors®
Spencer Kamps, Home Builders Association of Central Arizona
Sara Hasse Sparman, Williams and Associates

II. MINUTES

Upon motion by Vince Pellerito, seconded by Lisa Suarez, the Minutes of the July 21, 2005 meeting were unanimously approved.

III. FACILITATOR REPORT FROM ADVISORY BOARD MEMBERS

Chairman Brown requested that Board members report on their facilitator inquiries. Several Board members had received inquiries from the public. Discussion ensued regarding old subdivisions that now require ADRE Subdivision Public Reports. There appears to be a lack of awareness among the licensees regarding this topic. Chairman Brown requested and ADRE staff agreed to include additional subdivision information in the Department's Bulletin and on Late-Breaking News.

IV. ANNUAL REPORT

Chairman Brown thanked Board members for their contribution in the preparation for the Department's Annual Report. Upon motion by Frank Dickens, seconded by Vince Pellerito, the Annual Report was approved unanimously. The Board requested that the Commissioner forward the Annual Report to the Governor's Office.

V. COMMISSIONER'S REPORT

Richard Simmonds reported on behalf of Commissioner Richardson, who was attending the Mayors' Summit meeting along with Governor Napolitano.

ADRE's Online Public Database

Mr. Simmonds and ADRE's Computer Network Administrator Kevin Goode provided a short presentation to Board members on the functionality of the ADRE's newly expanded online public database. The website has the following capabilities:

- Access to Subdivision Public Reports from 1996 to present
- Research of complaint information from 1996 to present
- Access to approved school, course and instructor information
- Increased information on license holders
- Phase II of the On-Line System will include: Availability of more types of on-line license changes (Entity renewal; Branch Office transfers; Expanded hire and sever functions for employing brokers and ability to print duplicate licenses)
- Additional printer-friendly options

Mr. Simmonds reported that the Department website will soon have a new look. Chairman Brown commended the Department's staff for their innovative progress given the budget challenges and staffing shortages.

Budget

Mr. Simmonds reported that the ADRE continues to “hold the line” without drowning under the flood of new licensee applications. The Department has hired five new staff members and has two vacant positions to fill. The ADRE will be asking for an increase in its fiscal year 2007 budget to keep up with activity and growth.

Mr. Simmonds commended Cindy Wilkinson for innovative thinking “outside the box.” He provided examples of how Ms. Wilkinson has reduced the processes for the Licensing section.

Mr. Simmonds explained the budgetary issues that the Administrative Actions Division is facing due to lack of adequate staffing and insufficient Assistant Attorneys General to manage the heavy caseload.

Legislation

Mr. Simmonds reported that the ADRE does not anticipate initiating any legislation this year.

Consumer Guide

The ADRE’s Consumer Guide “Arizona Real Estate and You” continues to be a huge success.

Arizona-Mexico Commission -- Real Estate Ad Hoc Committee

Public Information Officer Mary Utlely reported that the Real Estate Ad Hoc Committee (REAHC) is presenting a series of 11 educational workshops at the Thunderbird School of International Management on Real Estate Transactions in Mexico. Ms. Utlely distributed a flyer with detailed information about the workshops.

The REAHC is scheduled to meet at the National Law Center in Tucson on November 9, 2005 along with the Sonora Counterparts to discuss action items that will be addressed at the December Arizona-Mexico Commission Plenary Session in San Carlos, Mexico.

Ms. Utlely announced a REAHC membership opening for a broker position and requested that anyone who is interested submit his or her resume.

Cross-Border Transactions Stakeholder Committee

Ms. Utlely reported on the progress of the Cross-Border Committee. Three workgroups are planning a proposed consolidated information website for consumers interested in real estate in Mexico.

A new Consumer Guide for “Buying Property In Mexico” has been reviewed by various experts in the field and should be published by December 2005.

VI. REPORT ON DIVISION MONTHLY REPORTS

Deputy Commissioner Ron Passarelli provided Board members with the monthly ADRE activity report and highlighted the following activity for September:

- The total number of current licenses has increased 18 percent over last year. The last three months (July through September 2005) show an increase of 4.6 percent. The number of licenses printed is up 23.8 percent over last year.
- The Professional Education Section reports number of individuals taking the examination as 1,154 for September, an 8 percent increase over last year. Cindy Wilkinson added that the number of new applicants divided by the number of workday's averages out to 67 new applications every workday for the month of September.
- The Subdivisions Division has seen a 13.8 percent increase of Public Reports issued year to date.
- The number of active investigations at any given time ranges between 400 to 500 cases. Cases sent to Administrative Actions are up 179.2 percent from last year.
- Administrative Actions has a current pending caseload of 362.
- The Compliance numbers are up as a result of the overall increase in Administrative Actions.

VII. ANNUAL ELECTION

Chairman Brown announced it was time for a new chairman; that he felt he had served an adequate amount of time.

Chairman Brown opened the nominations for Chair. Vince Pellerito nominated Gary Brasher to be Chair, seconded by Lisa Suarez. Upon motion by Vince Pellerito, seconded by Felipe Zubia, the nominations were closed. Members voted unanimously in favor of Gary Brasher as Chair.

Chairman Brown asked for nominations for Vice-Chair. Vince Pellerito nominated Lisa Suarez, seconded by Felipe Zubia. Upon motion by Frank Dickens, seconded by Vince Pellerito, the nominations were closed. Members voted unanimously in favor of Lisa Suarez as Vice-Chair.

Chairman Brown congratulated and thanked the new Chair and Vice-Chair for their willingness to serve as officers.

Commissioner Richardson joined the meeting during the Annual Election

and also congratulated the new officers.

VIII. OTHER MATTERS

None.

IX. CALL TO THE PUBLIC

Spencer Kamps of the Home Builders Association of Central Arizona (HBACA) asked what were the Department's short-term plans in Subdivisions Division to reduce the timeframes for processing Public Report applications. He asked that the Department think "outside of the box" as it has for other Divisions.

Commissioner Richardson provided examples of areas the Subdivisions Division has improved its processes, such as accelerating its internal training process for application reviewers, making Public Reports available on-line, and restructuring the billing process for inspection fees. Discussion ensued.

Vice Chairman Brasher recommended placing this item on the agenda for the next meeting and scheduling a stakeholder meeting in the interim to discuss the request. Chairman Brown suggested that the Board petition Commissioner Richardson to create a committee that could begin an informal dialog with HBACA, Southern and Northern Arizona Homebuilders Associations to develop potential solutions.

X. ADJOURNMENT

On a motion by Vince Pellerito, seconded by Lisa Suarez and approved by the Board, Chairman Brown adjourned the meeting at 12:00 p.m.

DATED THIS _____ day of January 2006.

ARIZONA REAL ESTATE ADVISORY BOARD

By: _____

Gary Brasher, Chairman